



NEVADA STATE CONTRACTORS BOARD

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FREQUENTLY ASKED QUESTIONS ABOUT NEVADA'S RESIDENTIAL RECOVERY FUND

WHAT IS THE RESIDENTIAL RECOVERY FUND?

The Residential Recovery Fund was established by law during the 1999 session of the Nevada Legislature to offer protection for Nevada homeowners who contract with licensed contractors and, under certain conditions, are harmed by failure of that contractor to properly perform qualified services.

WHO PAYS FOR THE FUND?

All licensed contractors and sub-contractors, who engage in residential construction, pay a semi-annual assessment into the Residential Recovery Fund.

WHO ADMINISTERS THE FUND?

The Nevada State Contractors Board has been charged with the responsibility of administering the Fund.

WHO IS ELIGIBLE TO RECEIVE HELP FROM THE RECOVERY FUND?

Owners of single-family residences who contract with residential contractors for the performance of any construction, remodeling, repair or improvement. The owner must occupy the residence. The claimant must be able to show the Board that he/she has suffered a reimbursable loss, which resulted from the conduct of a licensed contractor.

The claimant may also request payment when he/she has sued the general contractor in civil court and obtained a judgment, which has not been paid by the contractor and remains unsatisfied.

ARE CERTAIN PERSONS INELIGIBLE TO FILE A CLAIM?

Claims may not be filed by a spouse of a licensee or a personal representative of the spouse or a person associated in a business relationship with the licensee other than the contract at issue, or if the license was suspended or revoked pursuant to NRS 624.300 at the time of the contract.

WHAT CLAIMS ARE AUTOMATICALLY REJECTED?

Claims that are automatically denied by the Executive Officer and will not be considered by the Board include a false or altered document; a document, billing, receipt or estimate that is found to include an enhancement, improvement, upgraded services or materials or work or repairs that are outside the scope of the original contract.

CAN I GET HELP FROM THE RECOVERY FUND?

If the Board finds that you suffered actual damages, as a result of an act or omission of a residential contractor that is in violation of the law or you have obtained a judgment in a court of law for recovery of damages, you may apply to the Board to receive an award from the Fund.

IS THERE A TIME LIMIT FOR FILING CLAIMS?

You must file a complaint with the Board within four (4) years after the completion of work. If you have obtained a judgment from a Nevada court, you may apply to the Board for payment within two (2) years from the date the judgment was granted.

WHY DO I NEED TO GIVE COPIES OF MY CONTRACT, CHANGE ORDERS AND CANCELLED CHECKS?

The documentation you provide establishes and documents your “injury” described in the claim, provides for consistency in awarding funds and establishes a clean audit trail.

WHAT HAPPENS AFTER I FILE A CLAIM?

Once a claim has been received, Board staff will open a file. The contractor will be provided with copies of documents you have provided to the Board. Board staff will contact you and conduct an investigation to determine if the claim meets requirements for reimbursement set forth in Nevada Revised Statutes.

Once a claim is investigated and validated, it will be assigned to the next available Residential Recovery Fund Committee hearing date. You will be given at least 30 days’ notice before the hearing. The Board will then schedule and conduct a public hearing on the claim. Board staff will present your claim, and you may provide supporting testimony to the Committee members.

You should contact your case investigator prior to the hearing date and discuss your claim and staff recommendations prior to making your decision to attend the hearing.

If you do not attend the hearing, you may call the Residential Recovery Fund Administrative Assistant at: (702) 486-1138 and obtain the results of the Committee meeting.

HOW LONG WILL IT TAKE FOR MY CLAIM TO BE PROCESSED AND HEARD?

The law requires that the Board act upon a complaint within six (6) months after it is filed with the Board. Residential Recovery Fund Committee meetings are held approximately every sixty (60) days.

WHAT HAPPENS AFTER THE RESIDENTIAL RECOVERY FUND COMMITTEE HEARING DATE?

Within ten (10) days after the Residential Recovery Fund Hearing date, you will receive a Decision & Order in the mail, which documents the amount of your award.

WHEN WILL I GET MY AWARD?

A homeowner who is granted an award will be called by a Board staff person who will make arrangements for picking up the check approximately forty-five (45) days after the date of the Decision & Order.

IS THERE A LIMIT ON THE AMOUNT OF MONEY PAID OUT?

The law provides that the maximum amount paid for a claim against the Recovery Fund cannot exceed \$35,000.

HOW DO I CHECK ON THE STATUS OF MY CLAIM?

Homeowners should call their case investigator to determine the status of their claim.

AFTER AN AWARD IS MADE DOES THE CONTRACTORS BOARD SELECT A CONTRACTOR TO MAKE THE REPAIRS?

No. The Contractors Board does not recommend or select a contractor to make repairs. Generally, an award is based on the low bid. A check is issued to the homeowner, and he/she contracts directly with the contractor of their choice. The homeowner would be responsible for paying any differences in cost.

IF I REPAIR THE WORK BEFORE IT IS VALIDATED BY THE BOARD'S INVESTIGATOR WILL IT HURT MY CLAIM?

If work is repaired prior to being validated by a Board investigator, the claim may be difficult to prove. The homeowner should fully document the condition of the home with photographs, etc., so that he/she is prepared to support a claim. Obtain at least three (3) bids from properly licensed contractors and provide copies of cancelled checks as proof of payment to the new contractor.

In any case, the Residential Recovery Fund Committee can not guarantee payment, nor that you will receive full reimbursement for amounts you spend on repairs.

WHAT IS THE SUBROGATION OF RIGHTS FORM?

By accepting a payment from the Residential Recovery Fund, the homeowner is required to: "Subrogate Their Rights." This form declares you agree to subrogate any and all future claims or recoveries from any surety bond, cash bond, civil judgment or any other source from the contractor, to the Board and waive your rights to collect any additional money from the contractor. The homeowner additionally agrees to repay the Board the amount of a claim from any money received from the contractor, after payment by the Residential Recovery Fund.

SHOULD I BE PRESENT OR REPRESENTED BY AN ATTORNEY AT THE BOARD HEARING?

This is a decision that only you can make. It is not necessary for you to be present at the Residential Recovery Fund Committee hearing. Your claim will be presented by staff personnel. It also is not necessary to be represented by an attorney in order to file a claim. However, some claimants choose to be represented by an attorney. Attorney's fees are not recoverable from the Recovery Fund.

IS MY CLAIM A PUBLIC RECORD?

Yes. The claim and written report of the results of an investigation are public records.

IF I RECEIVED MONEY FROM THE CONTRACTORS BOND, INSURANCE OR COURTS, HOW DOES THAT AFFECT MY RESIDENTIAL RECOVERY FUND CLAIM?

If an injured person has recovered a portion of his/her loss from sources other than the Residential Recovery Fund, the Board shall deduct the amount recovered from other sources from the amount payable upon the claim, and direct the difference to be paid from the Residential Recovery Fund.

IF I DISAGREE WITH THE AWARD CAN I APPEAL THE DECISION OF THE COMMITTEE?

The decision of the Residential Recovery Fund Committee is final. NRS 624.510(4) states: *The decision of the Board or it's designee regarding eligibility for recovery and all related issues is final and not subject to judicial review.*

SHOULD I PAY A LIEN, DEBT OR COLLECTION ACTION NOW OR WAIT UNTIL I GET MY MONEY FROM THE RECOVERY FUND?

The decision on the payment of a lien, debt or collection action should be discussed with your legal counsel

WILL I GET THE FULL AMOUNT OF MY CLAIM?

The amount of the award is determined by the Residential Recovery Fund Committee based upon the documentation provided and the investigation which is conducted. There is no guarantee you will receive full reimbursement for your claim.

OTHER HELPFUL INFORMATION:

The Residential Recovery Fund is designed for homeowners seeking to recoup losses from properly licensed contractors. Claimants should pursue other avenues (surety as cash bonds) for recovery prior to seeking assistance from the Fund. When considering offers of settlement by or on behalf of the contractor, claimants should keep in mind that recovery of their entire loss from the Fund is not guaranteed.

If the injured person has recovered a portion of his/her loss from sources other than the account, the Board shall deduct the amount recovered from other sources from the amount payable upon the claim and deduct the difference to be paid from the account.

The Residential Recovery Fund *is not* available to homeowners who hire unlicensed contractors, or who do not live in single-family residences.

WHERE CAN I GET ADDITIONAL INFORMATION ABOUT THE RECOVERY FUND?

Additional information related to the Residential Recovery Fund may be located on the Board's website at: **www.nscb.state.nv.us** or contact the Board offices at: (702) 486-1100 in Las Vegas or (775) 688-1141 in Reno.